



MISSOURI WORKFORCE **2023**

EMPLOYER

SURVEY REPORT



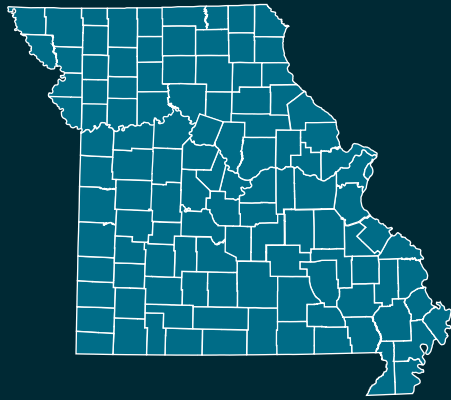
DEPARTMENT OF
HIGHER EDUCATION &
WORKFORCE DEVELOPMENT

**Missouri Economic Research
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MISSOURI WORKFORCE 2023 EMPLOYER SURVEY REPORT

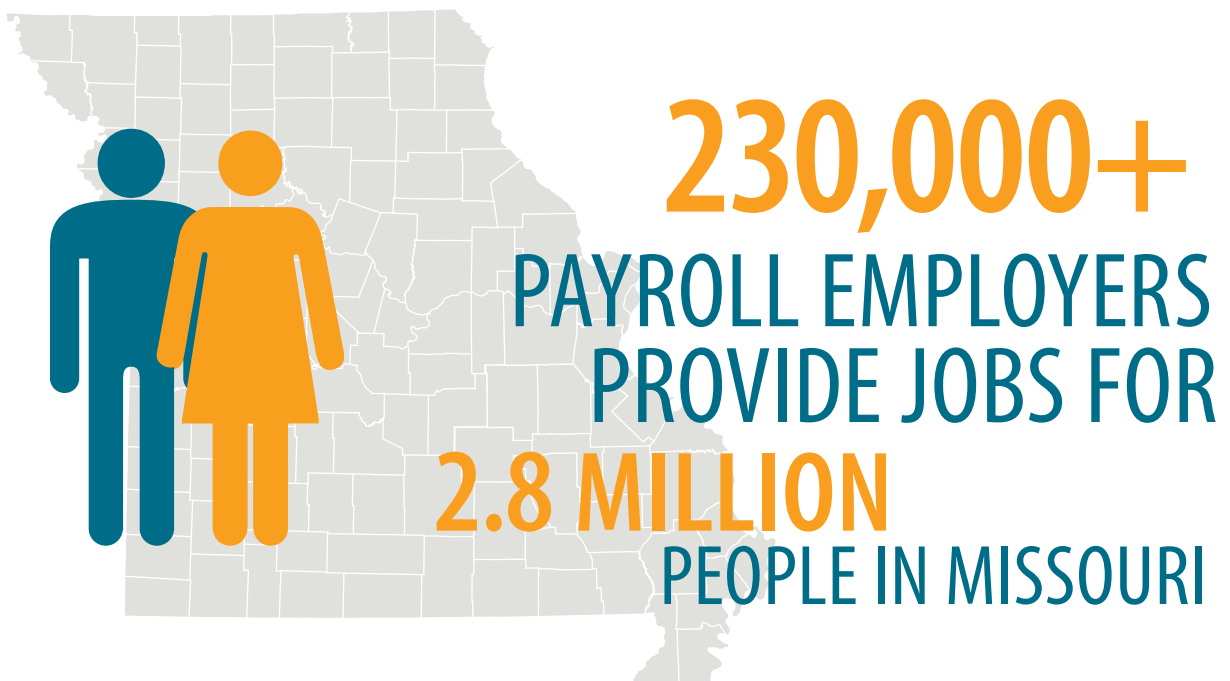


The Missouri Employer Survey has been conducted four times since 2019. Some questions have remained consistent each year, and others have changed to reflect current issues impacting the state's employers. Methodologies were held as consistent as possible from year-to-year. Comparisons to previous years are made throughout the report where applicable, but each survey indicates a snapshot in time. It can be used to infer changing trends in the labor market and employer sentiment, but was not designed as a stringent time series analysis.

Missouri has more than 230,000 payroll employers who provide jobs to over 2.8 million people. Understanding the current hiring trends and challenges faced by the state's employers is essential not only in providing targeted resources and services to help these employers but also in supporting the state's economic and workforce development. Keeping these objectives in view, over 2,800 Missouri companies with five or more employees were surveyed from February 20, 2023, to April 17, 2023. This helped gauge the state of the workforce from the employer's perspective, with 1,183 employers completing the survey. Throughout the report, data in the graphs may not add to 100 percent due to rounding or the ability to select more than one response.

A few takeaways from this survey include:

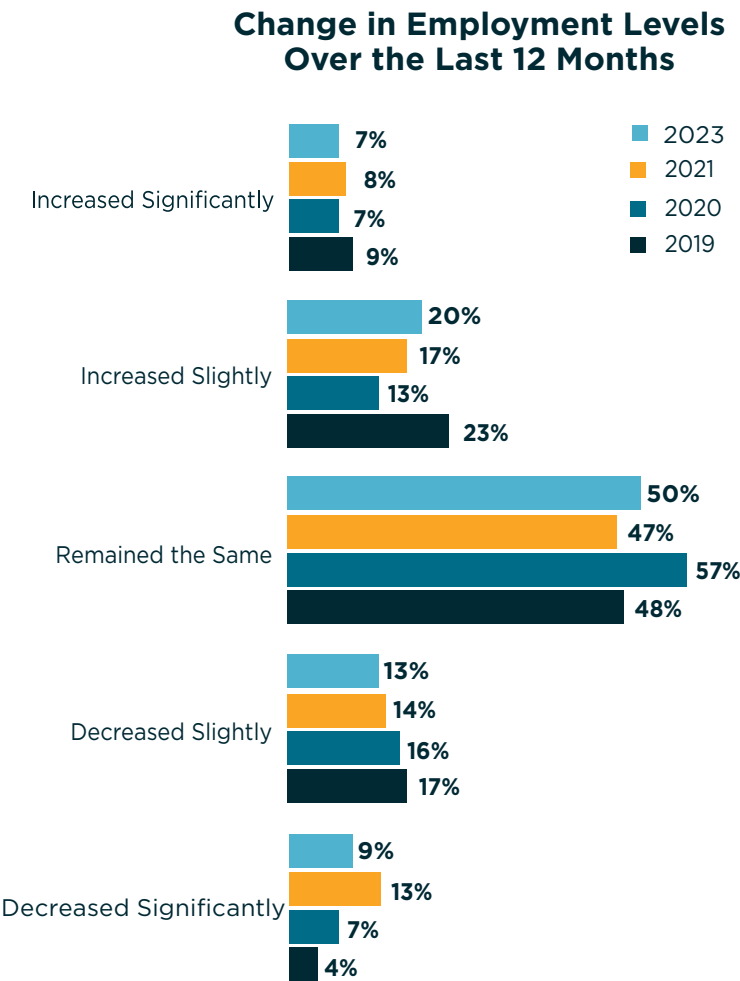
- Employer's main concerns are hiring and retaining top talent.
- Sixty-two percent of employers had job postings that took more than 30 days to fill.
- The top barrier to expanding employment is a shortage of applicants with knowledge or skills, which has increased significantly from previous years (47% in 2019 and 2020, 60% in 2021, and 65% in 2023).
- Most employees work in person vs. working remotely.
- The top strategy used to retain existing workers is offering increased wages.
- Eighty-nine percent of surveyed employers have increased wages at an average of 11 percent in the last 12 months.



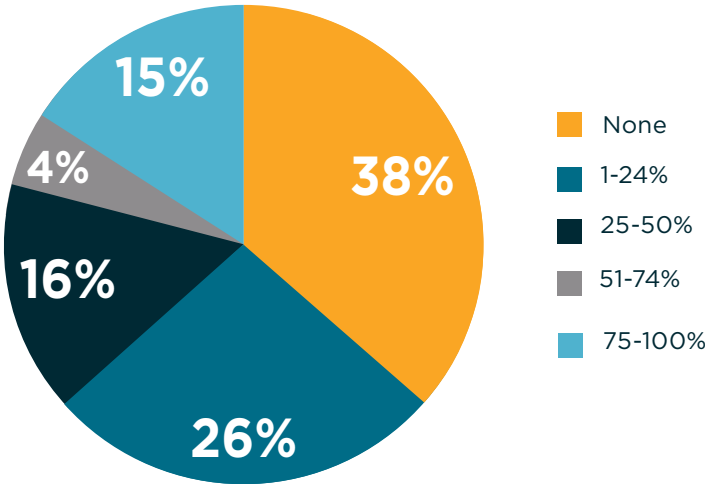
EMPLOYER SURVEY

HIRING TRENDS

In order to gauge employment trends, employers were asked about their staffing levels and future hiring plans. When asked about employment changes over the last 12 months, half (50%) said that *employment levels (total employment) remained the same as before* (47% in 2021, 57% in 2020, and 48% in 2019). In 2019, more employers reported increasing employment levels rather than decreasing (21% reporting a significant or slight decrease compared to 32% reporting a significant or slight increase). This flipped in 2020 and 2021, mostly due to the COVID-19 pandemic. In 2023, about 28 percent of surveyed employers reported *increased* employment levels, either slightly or significantly, while 22 percent reported *significant or slight decrease* in employment levels.



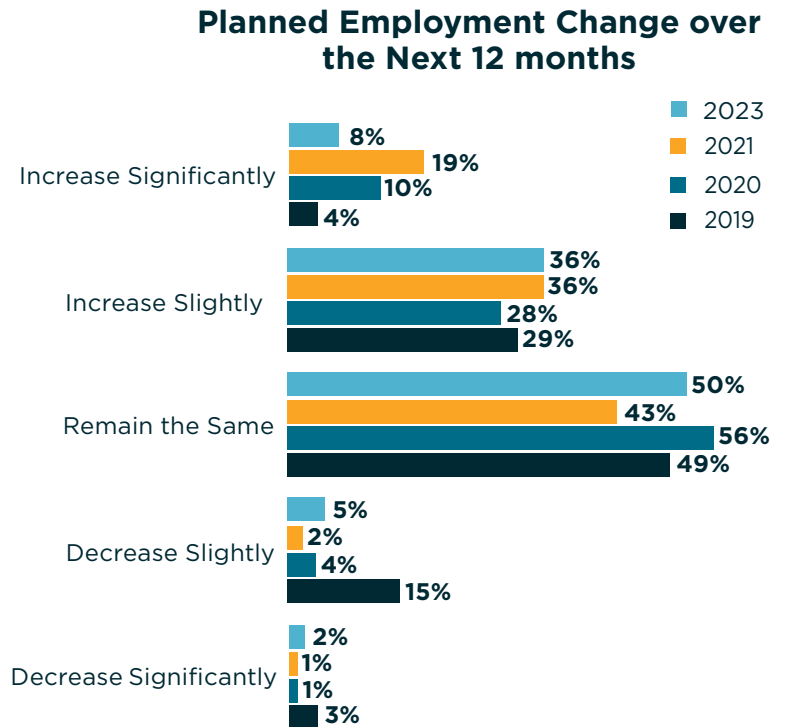
Percentage of Job Postings that took more than 30 days to fill



Difficulty hiring quality employees was a constant theme throughout the survey. Sixty-two percent of employers reported they had some positions that took over 30 days to fill and 38 percent reported to have their vacant positons filled in less than 30 days.

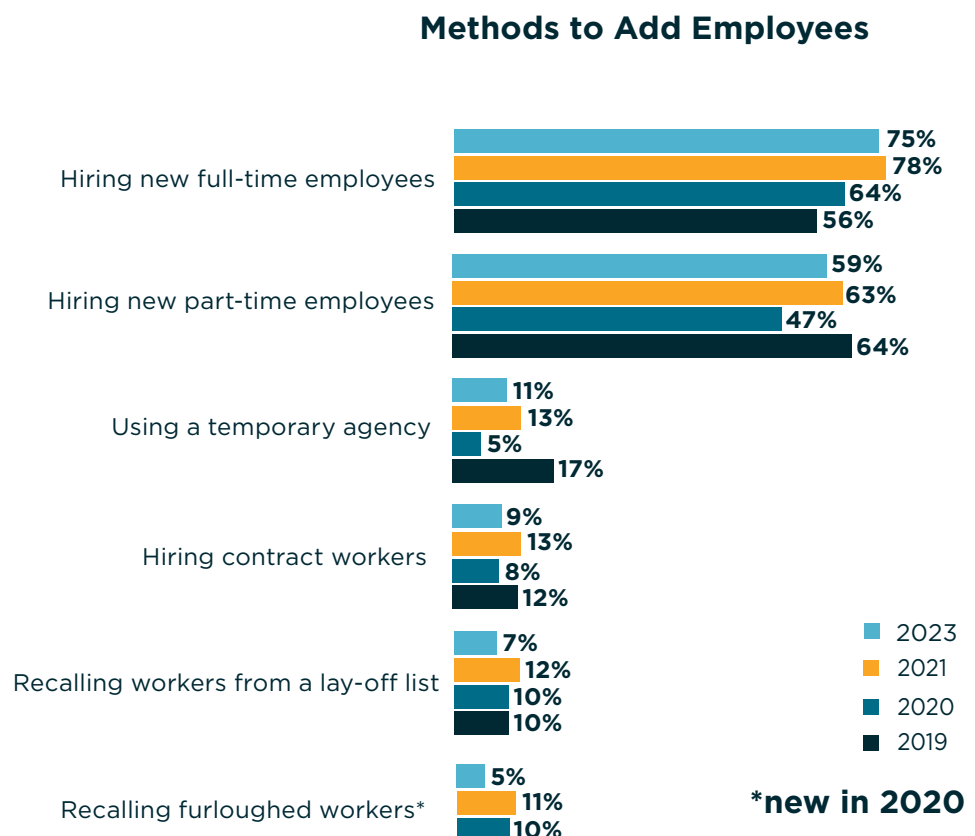
Fifteen percent reported 75-100 percent of their vacant positions took over 30 days to fill. Jobs that were the hardest to fill were in *healthcare*; particularly *nursing* occupations; *sales*; and *food service*.

44% OF EMPLOYERS EXPECTED TO SEE AN INCREASE IN EMPLOYMENT LEVELS OVER THE NEXT 12 MONTHS.



Fifty percent of employers expect their employment levels to *remain the same* over the next 12 months. Only 7 percent of employers expected a *decrease* in employment levels over the next 12 months, while 44 percent expect to have a significant to slight increase in the employment levels. In 2019, 33 percent of employers anticipated a slight to significant increase in employment. In 2020, 38 percent anticipated an increase, while in 2021, 55 percent of surveyed employers expected an increase in total employment.

For the third year in a row, *hiring new full time employees* remained the top method of expanding employment, with 75 percent of employers stating they would *hire new full time employees*. Fifty-nine percent of employers reported they would *hire part-time employees*.



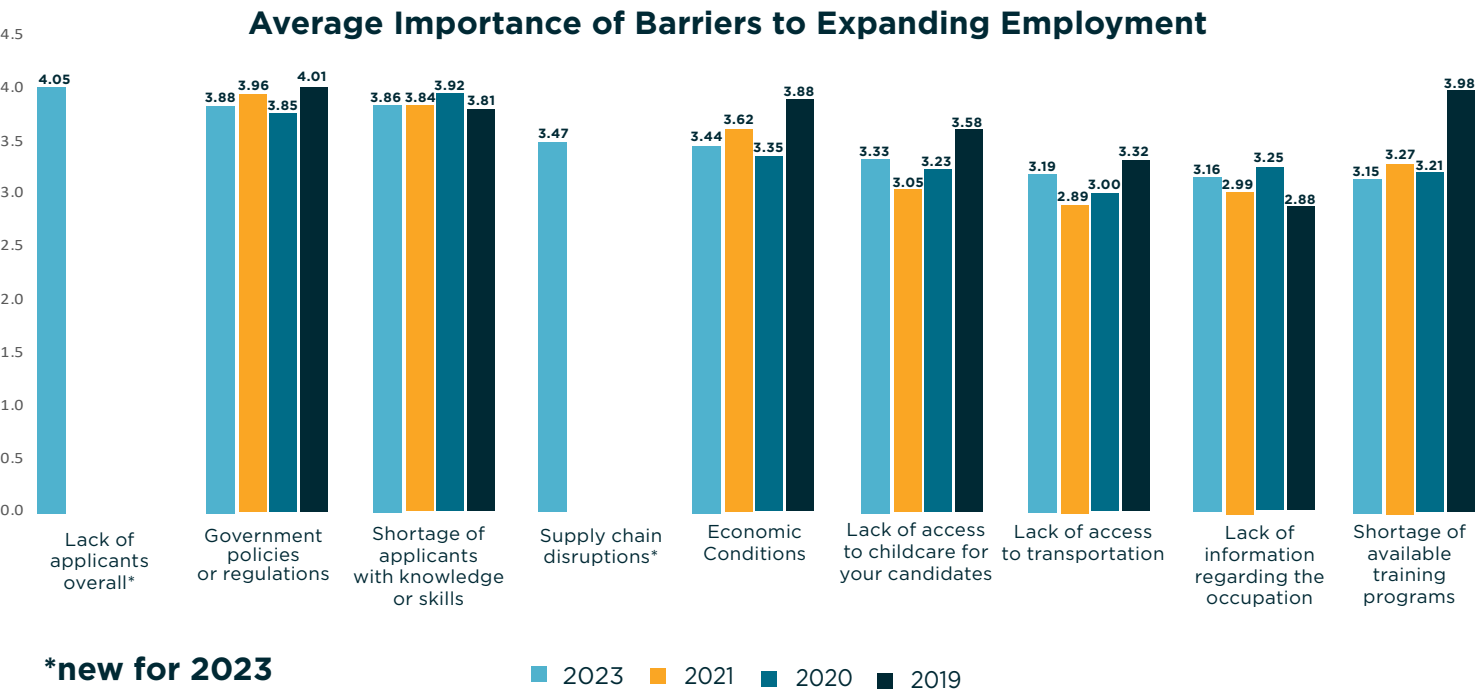
EMPLOYER SURVEY

BARRIERS TO EXPANDING EMPLOYMENT

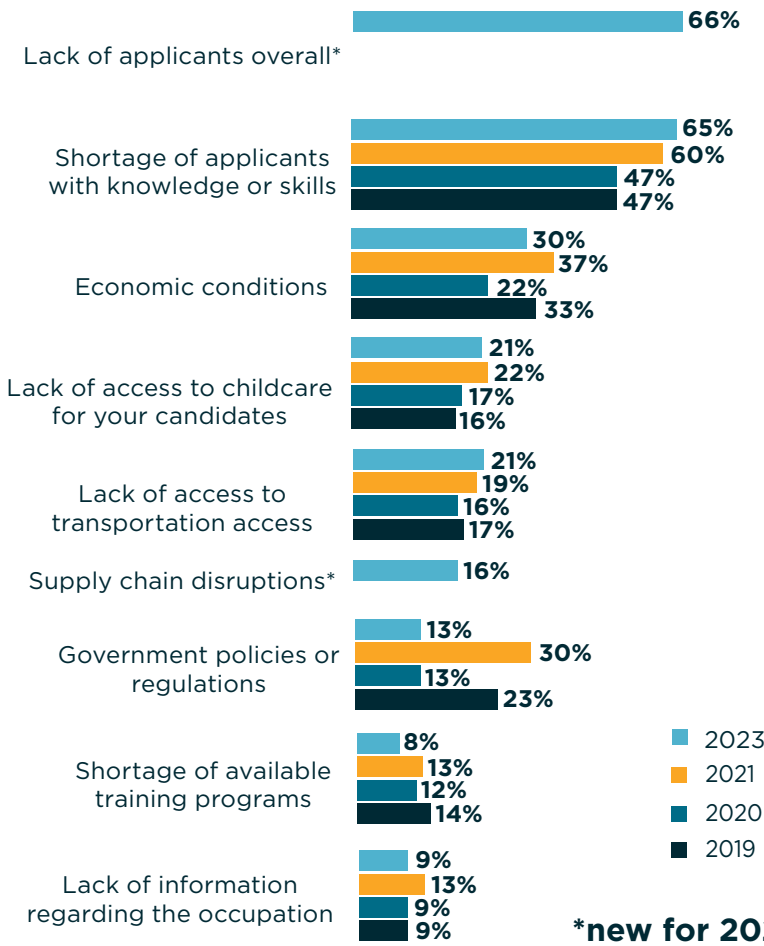
Employers were asked about the barriers they encountered in expanding employment. *Lack of applicants overall* was a new option for employers in the 2023 survey, and 66 percent of surveyed employers selected this option, making it the top barrier to expansion of employment. The next highest barriers were *shortage of applicants with knowledge or skills* and *economic conditions*, which have been the top cited barriers since the survey began in 2019. *Shortage of applicants with knowledge or skills* increased significantly from previous years, from 47 percent in 2019 and 2020, to 60 percent in 2021, and 65 percent in 2023. *Economic conditions* as a barrier to employment decreased from 37 percent in 2021 to 30 percent in 2023. Similarly, fewer employers encountered *government policies or regulations* as a barrier to expanding employment, dropping from 30 percent in 2021 to 13 percent in 2023.

Other significant barriers encountered in 2023 included *lack of childcare* and *transportation access*, with 21 percent of respondents reporting these as barriers to expanding employment.

The survey also asked employers to rate the importance of each barrier on a scale of one to five, with one being insignificant and five being critical. The highest weighted average response for any barrier cited this year was *lack of applicants overall*, getting an importance score of 4.05 out of 5. The next highest weighted response was *government policies or regulations* (3.88), followed by *shortage of applicants with knowledge or skills* (3.85). Although the share of employers choosing *government policies or regulations* as a barrier to employment expansion has decreased, for those that did encounter it, it was still a critical barrier. *Shortage of available training programs* dropped in importance from 3.98 in 2019 to 3.15 in 2023.



Barriers to Expanding Employment



EMPLOYER SURVEY

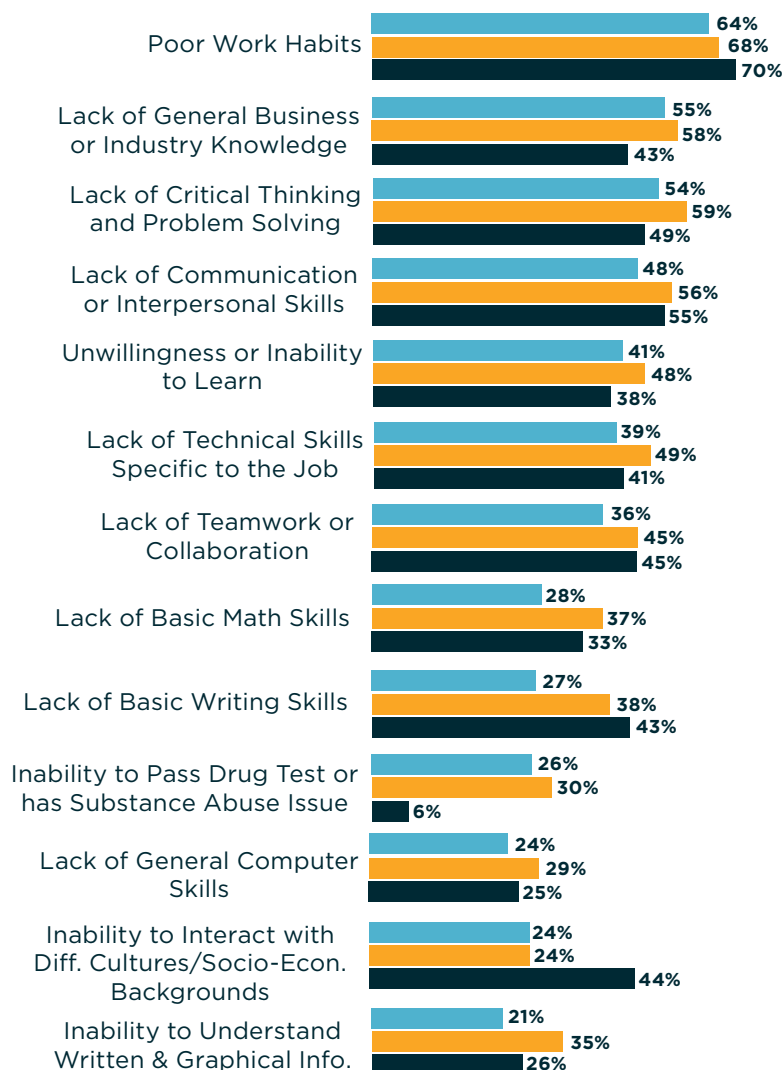
SHORTCOMINGS OF JOB APPLICANTS

Employers were asked about possible shortcomings of applicants. As in previous years, *poor work habits* is the most frequently cited shortcoming at 64 percent (68% in 2021 and 70% in 2019). Other top shortcomings include *lack of general business or industry knowledge* (55% in 2023, 58% in 2021, and 43% in 2019) and *lack of critical thinking and problem solving* (54% in 2023, 59% in 2021, and 49% in 2019).

Since 2019, large changes have occurred in two less frequently mentioned shortcomings – *inability to interact effectively with people of different cultures and socio-economic backgrounds* and *inability to pass a drug test or having a substance abuse issue*. In 2019, 44 percent of employers cited applicant’s *inability to interact effectively with people of different cultures and socio-economic backgrounds* as a shortcoming. This dropped to 24 percent in 2021 and 2023. *Inability to pass drug test or has substance abuse issue* increased from 6 percent in 2019 to 30 percent in 2021 and 26 percent in 2023.

Employers were also asked to rate importance of each shortcoming on a scale of one to five, with one being insignificant and five being critical. *Poor work habits* was the most cited shortcoming and also ranked as the most important, with an average importance score of 4.19 out of 5.0. *Poor work habits* was also ranked the highest shortcoming in 2019 and 2021. Other high ranking shortcomings are *unwillingness or inability to learn* (4.04) and *inability to pass a drug test* (3.98).

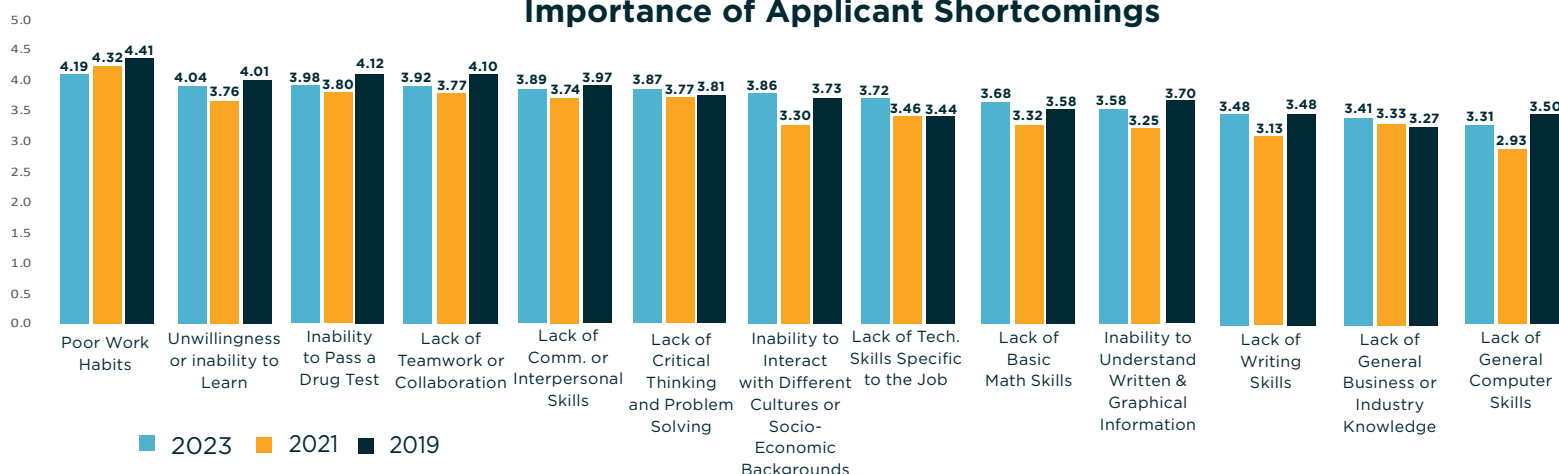
Applicant Shortcomings



Question not asked in 2020

2023 2021 2019

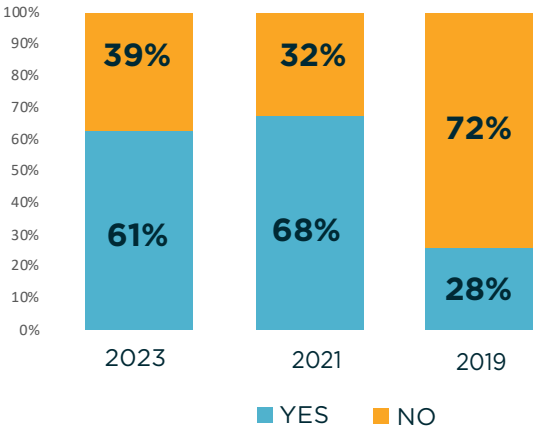
Importance of Applicant Shortcomings



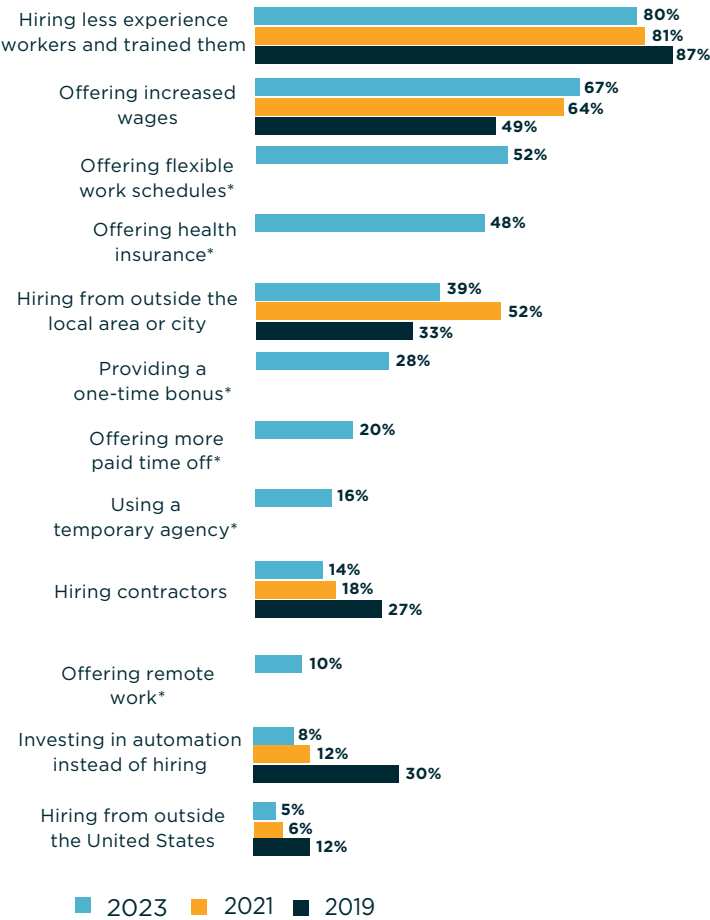
Sixty-one percent of employers stated they were experiencing a *shortage of skilled applicants*. This is slightly lower than the 68 percent reported in 2021 and much higher than the 28 percent cited in 2019.

Employers take a variety of measures to address these shortages. Following the trend of previous years when this question was asked from the employers, 80 percent of the respondents reported *hiring less experienced workers and train them* as a measure to address skill shortages in the applicants (81% in 2021 and 87% in 2019). Other popular remedial measures were *offering increased wages* (67%) and *offering flexible work schedules* (52%). *Offering increased wages* rose as a remedial measure from 49 percent of respondents in 2019 to 64 percent in 2020 and 67 percent in 2023. Some less widely-used measures, such as *investing in automation instead of hiring*, *hiring from outside the United States*, and *hiring contractors*, have decreased over the last four years.

Are you Experiencing a Shortage of Skilled Applicants



Measures Taken to Address the Shortage of Skilled Applicants



Investing in automation instead of hiring decreased from 30 percent in 2019 to 8 percent in 2023, *hiring from outside the United States* decreased from 12 percent in 2019 to 5 percent in 2023, and *hiring contractors* went from 27 percent in 2019 to 14 percent in 2023. Other remedial measures to alleviate the shortage of skilled applicants that were included in the 2023 survey were *offering flexible work schedules* (52%), *offering health insurance* (48%), *providing a one-time bonus* (28%), *offering more paid time off* (20%), *using a temporary agency* (16%), and *offering remote work* (10%).

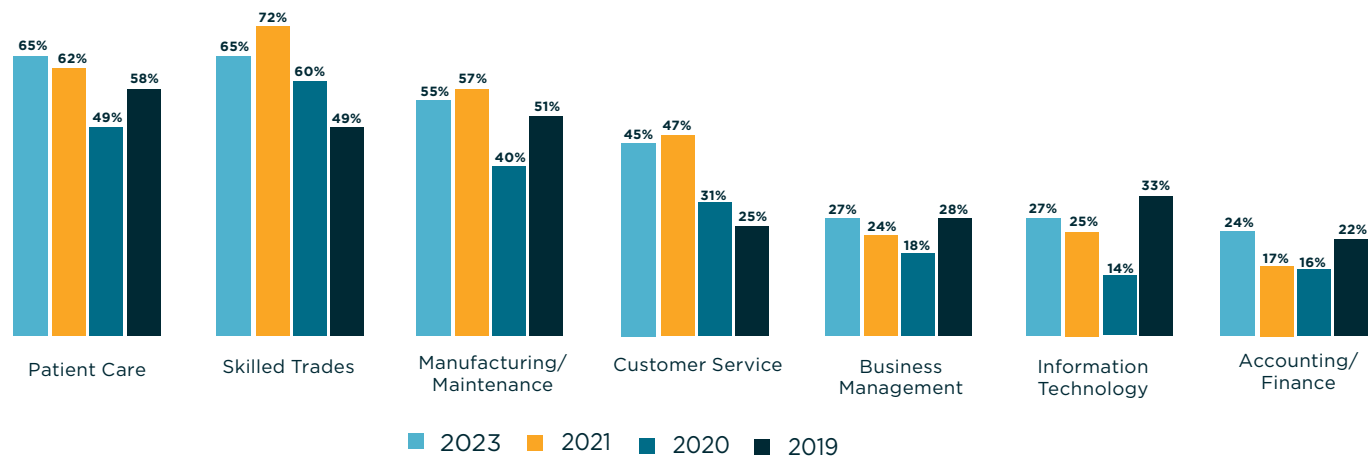
Companies employ workers in a variety of functional areas with different work responsibilities. *Patient Care* and *Skilled Trades* functional areas had the largest percentage of employers reporting shortages of skilled applicants at 65 percent each. Skill shortages in *Customer Service* have increased substantially, increasing from 25 percent in 2019 and 31 percent in 2020, to 47 percent in 2021, decreasing slightly to 45 percent in 2023.

*new for 2023
Note: Question not asked in 2020

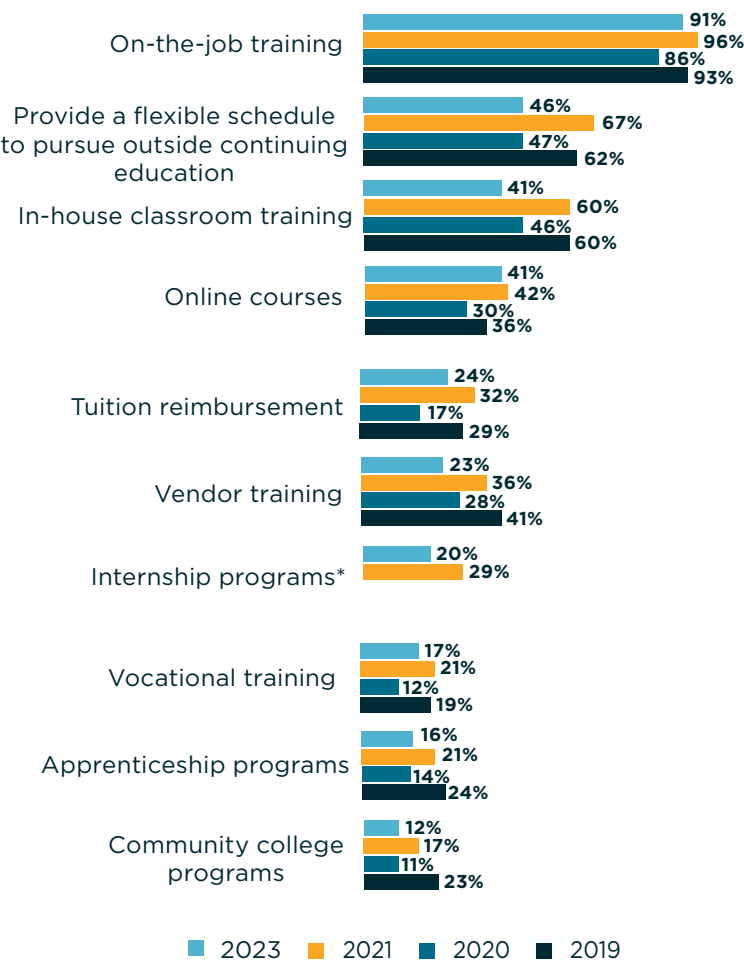
EMPLOYER SURVEY

SKILL SHORTAGES BY FUNCTIONAL AREA

Employers with a Shortage of Skilled Applicants by Functional Area



Methods to Assist Workers for New or Increased Skills



To address the problem of skill shortages in the current workers, employers use several remedial measures, and *on-the-job training* remains the most preferred method. Over 9 in 10 employers (91%) stated they used *on-the-job training* to assist current workers in addressing the need for new or increased skills. However, there is a significant decrease in applying these remedial measures in 2023 when compared to 2021, most significantly in *providing a flexible schedule to pursue outside continuing education* (67% in 2021 vs. 46% in 2023) and *in-house classroom training* (60% in 2021 vs. 41% in 2023).

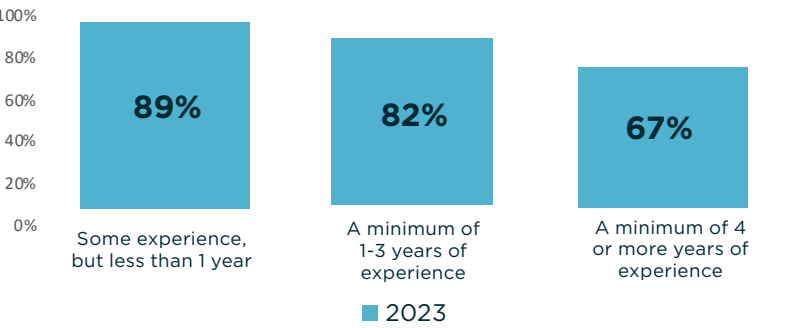
*new in 2021

EMPLOYER SURVEY

EXPERIENCE AND EDUCATION

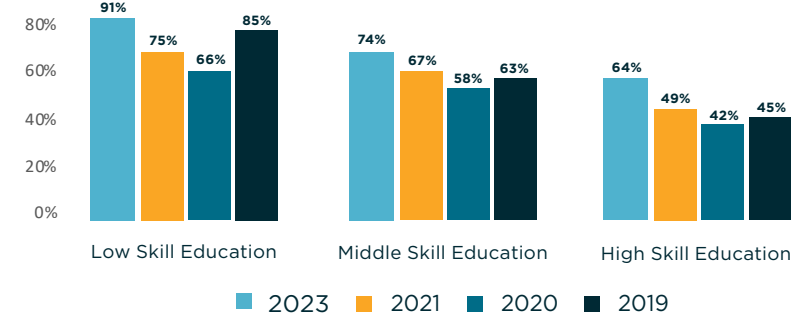
Employers were surveyed about positions at their company with various levels of experience. About 9 in 10 (89%) employers had positions available requiring *less than one year* of experience, while 67 percent had jobs that required *four or more years* of experience.

Percent of Employers with Jobs at Specified Experience Levels



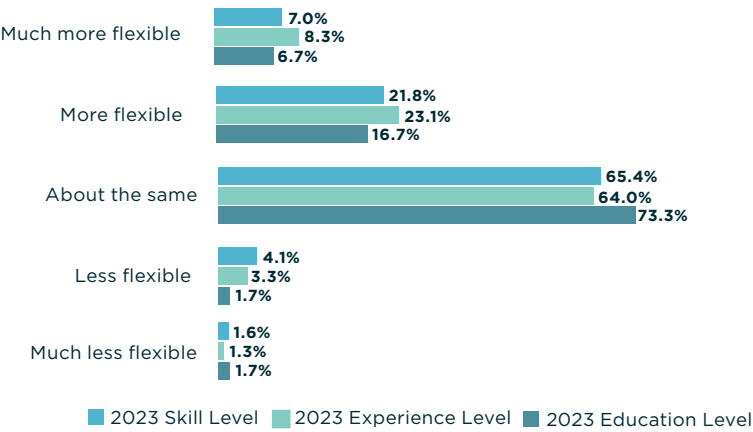
Employers were also asked about the education requirements for their positions at three education levels – *low-skill*; defined as requiring high school or less, *middle-skill*; defined as training or education beyond high school, but less than a four-year degree; and *high-skill*, defined as requiring a four-year degree or higher. Responses at all levels of education were the highest they have been since the survey began in 2019. Ninety-one percent of employers reported having jobs requiring *low-skill* education, while 74 percent reported having jobs requiring *middle-skill* education and 64 percent have jobs requiring *high-skill* education. The variety of skill levels needed at employers indicates a diversity of roles at most employers.

Percent of Employers with Jobs at Specified Education Levels



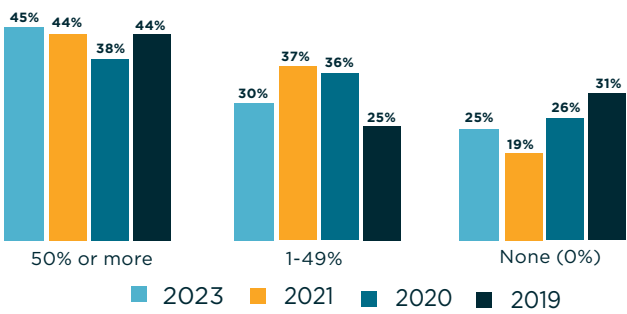
When asked if the minimum education requirements for positions in their company had changed (increased or decreased) over the last two years, only 9 percent of employers responded in the affirmative and 91 percent respondents did not change the education requirements. Of the employers that did indicate a change, 65 percent reported a decrease in education requirements while 35 percent had an increase in the educational requirements.

Flexibility for hiring applicants with less than the advertised preferred level of qualifications over the last two years



Relatedly, employers were also asked if there was any change over the last two years in flexibility for hiring applicants with less than the advertised preferred level of qualifications in education, experience, and skill level. Most employers said they stayed about the same in flexibility for hiring applicants. The majority that changed became more flexible in their consideration of applicants. Twenty-three percent of employers were more flexible with education requirements, 31 percent were more flexible with experience level requirements, and 29 percent were more flexible on skill level requirements.

Jobs Available with Short-Term Training



When asked about jobs in their organization that would be available to applicants who had completed *short-term training*, defined as no more than six months past high school, 75 percent of employers had some jobs available to individuals with *short-term training*. Forty-five percent reported at least half of their jobs were available to applicants with *short-term training*.

EMPLOYER SURVEY

WORKFORCE INITIATIVES

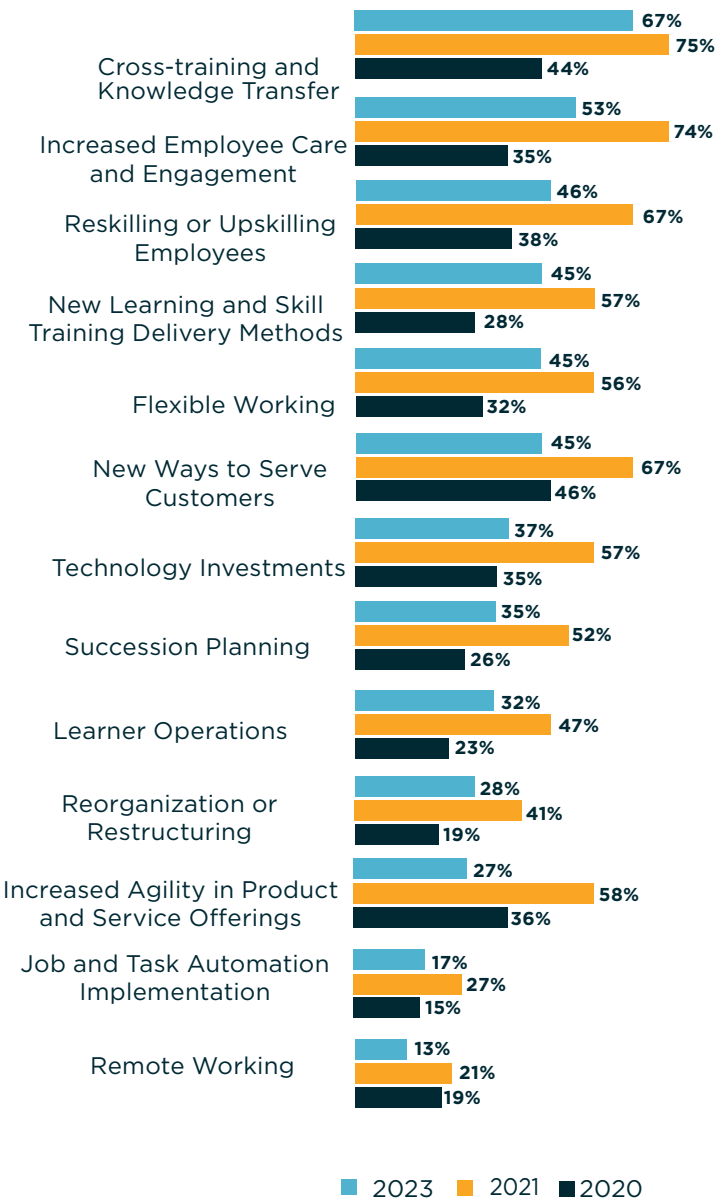
As the economy evolves, customer and workforce needs change. Now more than ever businesses have to adapt to attract and retain quality employees, as well as serve customer’s changing needs. Employers were asked which workforce initiatives they were considering for the next year.

Employer’s likelihood to consider a variety of initiatives has changed significantly over the last three years. From 2020 to 2021, a large number of employers were considering these workforce initiatives. However, from 2021 to 2023, responses were lower for almost all initiatives. The *remote working* option decreased significantly from 21 percent in 2021 to 13 percent in 2023, indicating a return to physical/centralized workspaces.

The top workforce initiative considered for the next year by employers was *cross-training and knowledge transfer* (67%), followed by *increased employee care and engagement* (53%) and *reskilling or upskilling employees to new ways of working* (46%).

67% OF EMPLOYERS CITED CROSS-TRAINING AND KNOWLEDGE TRANSFER AS THEIR TOP WORKFORCE INITIATIVE.

Workforce Initiatives Considered for the Next Year

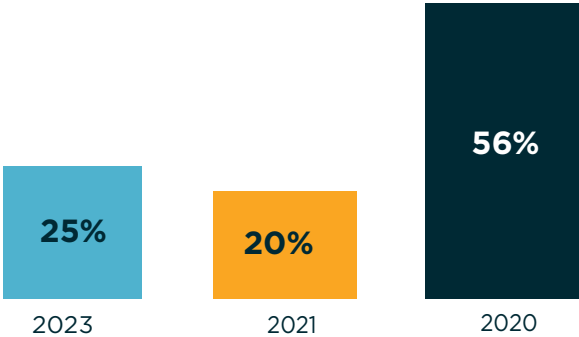


EMPLOYER SURVEY

REMOTE WORK

Since the COVID-19 pandemic, there has been an increased interest in understanding remote work. Prior to pandemic, (February 2020) about 15 percent employers were having some workers working remotely. Remote work peaked in 2020 during the height of the pandemic, with over half of employers (56%) stating they had some workers working remotely, either full or part-time. This dropped significantly to 20 percent in 2021 and has increased slightly to 25 percent in 2023. When asked if they expected the number of remote workers to change over time, the vast majority (92%) of employers said they expected it to stay the same. In the question about workforce initiatives considered in the coming year, 13 percent of employers indicated considering *remote work*.

Employers with Employees Working Remotely



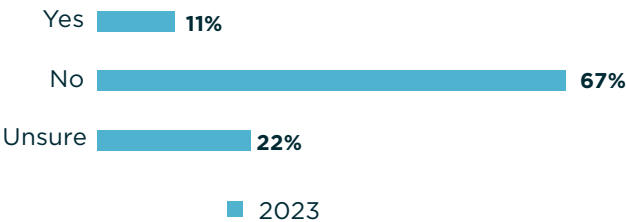
HIRING CONSIDERATIONS

Employers may perform a variety of screening processes before hiring an employee. *Criminal checks* were the most common types of background checks conducted prior to hiring, with 74 percent of Missouri employers reporting they perform one. *Drug screens* were next at 46 percent. In 2023, background screenings involving *professional license or certification, social media, drug screen, and financial checks* decreased significantly from 2021.

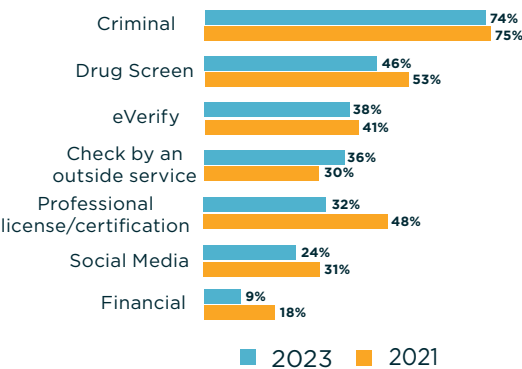
In 2019, less than one percent of Missouri employers *would not consider* hiring an applicant convicted of a felony offense who had completed his or her sentence and/or probation. This increased to 20 percent in 2020, was at 19 percent in 2021 and decreased slightly to 16 percent in 2023. Most employers (62%) reported it would *depend on the nature of the felony and time of the offense*, a significant increase from previous surveys. Employers responding they would *consider for any job they are qualified for* decreased from 17 percent in 2020 and 2021 to 10 percent in 2023.

When asked if they planned to make any policy changes due to the passage of Missouri Amendment 3, which legalized marijuana use by adults in Missouri, 11 percent said yes, 67 percent said no, and 22 percent were unsure.

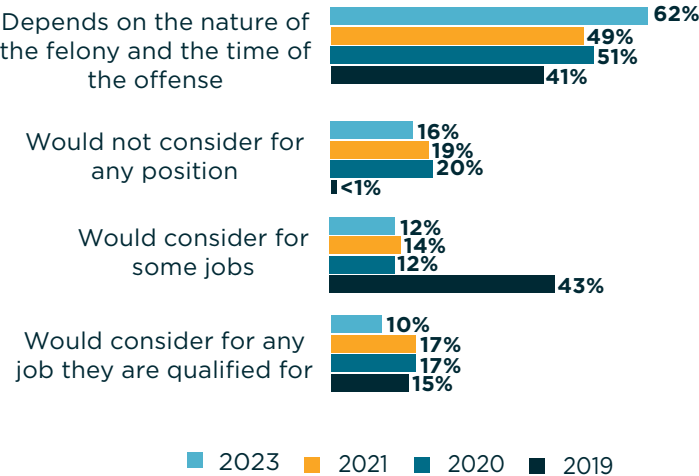
Companies planning policy changes due to the passage of Missouri Amendment 3, which legalized marijuana use by adults in Missouri



Background checks required prior to hire



Hiring Justice-Involved Applicants



EMPLOYER SURVEY

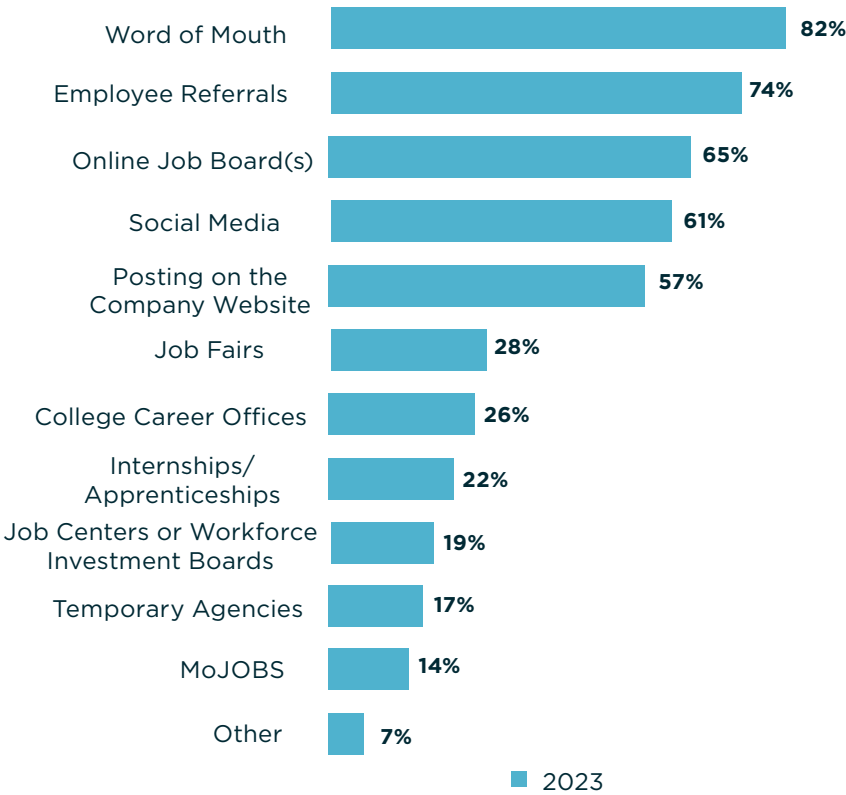
RECRUITMENT AND RETENTION RESOURCES

Employers have used a variety of ways to reach and retain qualified workers. The top methods of recruitment resources used to reach qualified candidates were *word of mouth* (82%), *employee referrals* (74%), and *online job boards* (65%). When asked about apprenticeship programs, 91 percent of employers responded that they do not plan to launch or expand any apprenticeship programs in the next year.

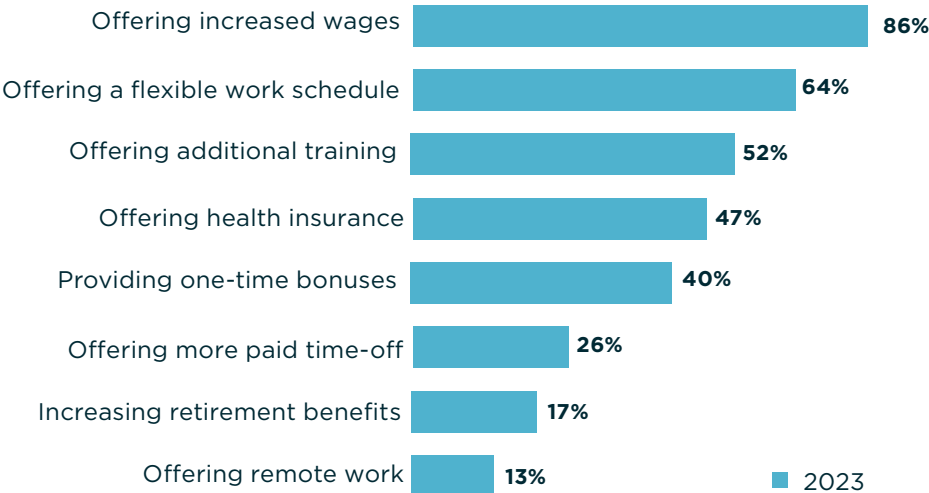
The top strategies used by employers in the last 12 months to retain existing workers included *offering increased wages* (86%), *offering a flexible work schedule* (64%), and *offering additional training* (52%). *Remote work* was listed as a strategy by only 13 percent of employers.

When asked, “Have you increased wages in the last 12 months,” 89 percent of employers said yes. Of the employers who increased wages, the average increase was 11 percent.

Recruitment Resources



Strategies used to retain existing workers in the last 12 Months

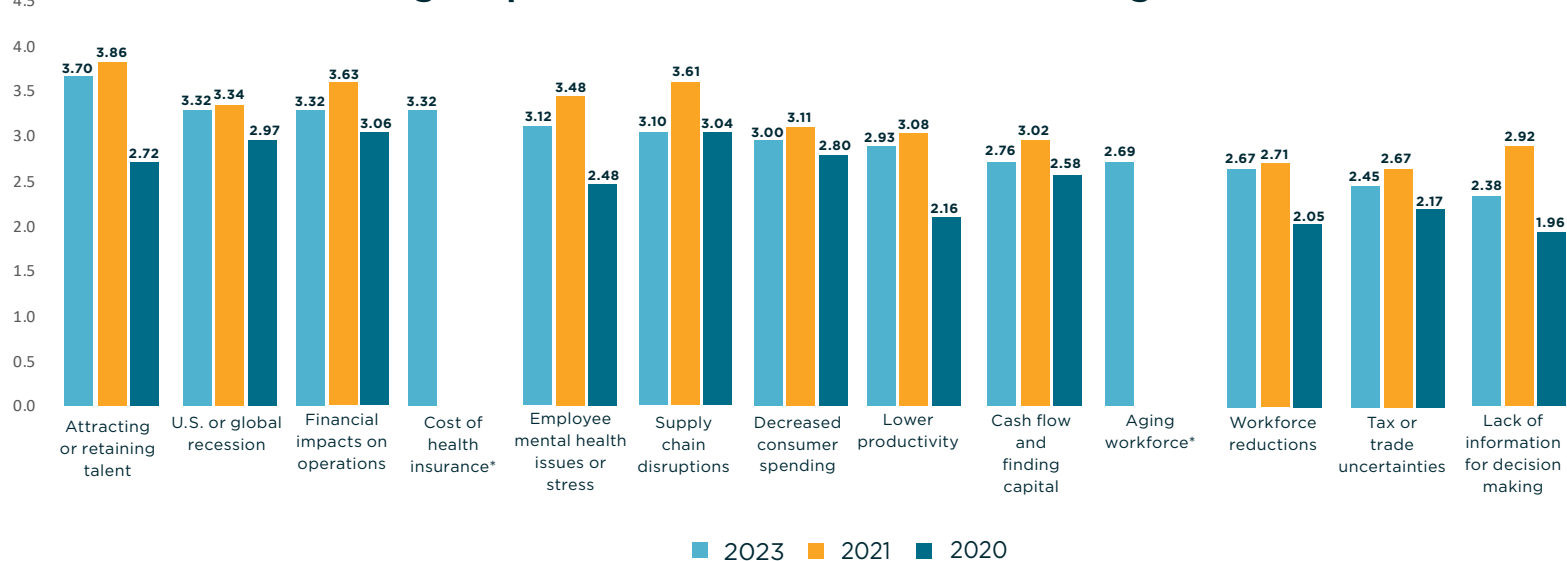


BUSINESS CONCERNS

Employers evaluated various business concerns for the future on a scale of one to five, with one being not concerned and five being very concerned. Employers were most concerned about *attracting or retaining talent*, with a weighted average of 3.7. Several concerns decreased in importance from 2021, including *lack of information for decision making* (2.92 in 2021 vs. 2.38 in 2023) and *supply chain disruptions* (3.61 in 2021 vs. 3.1 in 2023). *Cost of health insurance* was among the major concerns reported in the 2023 survey.

EMPLOYERS WERE MOST CONCERNED ABOUT ATTRACTING AND RETAINING TALENT

Average Importance of Business Concerns Looking Forward

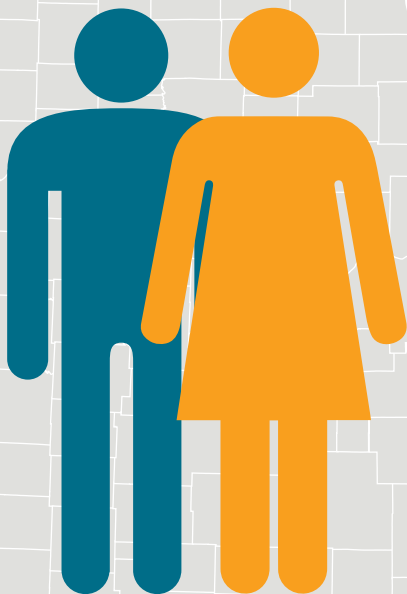


*New question in 2023

EMPLOYER SURVEY

SUMMARY

Although employers are optimistic about expanding employment, with 44 percent planning to *increase employment levels* over the next 12 months, they continue to struggle to find skilled applicants. Sixty-two percent of employers had positions that took over 30 days to fill. A *lack of overall applicants* and *shortage of applicants with knowledge or skills* were the top barriers to expanding employment, with the *shortage of applicants with knowledge or skills* at the highest reported level it has been since the first survey in 2019. The most important business concern for employers was *attracting and retaining talent*. To try and retain existing workers, employers have *increased wages* (86%), *offered a flexible work schedule* (64%), or *offered additional training* (52%). Responses to this survey reinforce the widely-held experience of a tight labor market and difficulty finding workers.



**EMPLOYERS ARE
OPTIMISTIC ABOUT
THE FUTURE.**

44% OF BUSINESSES
EXPECT TO INCREASE EMPLOYMENT LEVELS
OVER THE NEXT 12 MONTHS

EMPLOYER SURVEY

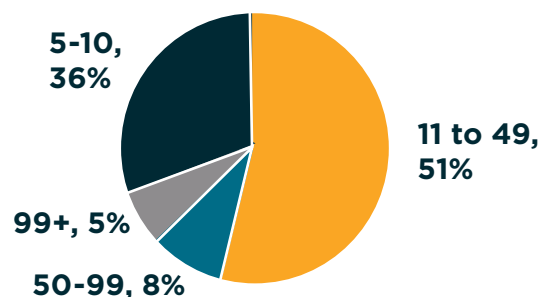
METHODOLOGY

From February 20, 2023, to April 17, 2023, over 2,800 Missouri companies with five or more employees were surveyed to gauge the state of the workforce from the employer's perspective. A total of 1,705 employers started the survey but did not respond to all questions, and 1,183 employers completed every question in the survey. Seventy-three percent employers responded over the phone and 27 percent completed the online version of the survey. Companies were asked 26 questions, some with multiple parts, about hiring trends, skill needs and shortages, workforce initiatives, recruitment strategies, and education and experience requirements.

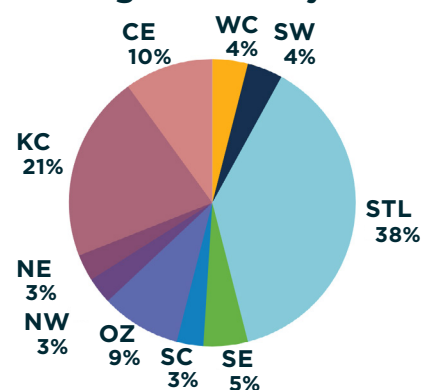
Companies interviewed were randomly selected from a categorized list of Missouri businesses from the Data Axle employer database. The sample was selected to be representative of Missouri's industry sectors and workforce regions. Regional quotas were based on the region's share of employment relative to the state. Over half (51%) of employers surveyed had 11-49 employees. The industries selected for the survey were chosen to represent a composite picture of the state's industry mix with a statistically significant sample surveyed from each of the industry sector matching the approximate ratio of these industries across the state.

NAICS Code	Industry Title	% of Businesses Surveyed
11	Agriculture, Forestry, Fishing & Hunting	1%
22	Utilities	<1%
23	Construction	3%
31-33	Manufacturing	6%
42	Wholesale Trade	5%
44-45	Retail Trade	10%
48-49	Transportation & Warehousing	11%
51	Information	2%
52	Finance & Insurance	3%
53	Real Estate & Rental & Leasing	4%
54	Professional, Scientific & Technical Services	5%
55	Management of Companies & Enterprises	4%
56	Administrative & Support & Waste Management & Remediation Services	1%
61	Educational Services	2%
62	Health Care & Social Assistance	6%
71	Arts, Entertainment, & Recreation	9%
72	Accommodation & Food Services	7%
81	Other Services (except Public Administration)	13%
99	Nonclassified Establishments	6%

Employment Size of Firms Surveyed



Regions Surveyed



Survey Collection Results

Area	Population	Surveys Started, not Completed	Surveys Completed	Total Survey Responses	Confidence Level	Margin of Error
Statewide	87,193	1,705	1,183	2,888	95%	+/- 3%

EMPLOYER SURVEY

ACKNOWLEDGEMENTS

The department would like to thank the employers who agreed to be interviewed for this report.

This workforce solution was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The solution was created by the grantee and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy continued availability or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.



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